

6.
The Present State of I R E L A N D.

BEING

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Sir *Isaac Newton's*
REPRESENTATION
ABOUT
The *Gold and Silver*
COINS,

To the RIGHT HONOURABLE

The Lords Commissioners

O F

His Majesty's *Treasury.*

D U B L I N :

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Key*, near *Essex-Bridge*, 1729.

TO THE

Right Honourable the LORDS COMMISSIONERS of
His Majesty's Revenue.

May it please your Lordships,

IN Obedience to Your Lordships Order of Reference of August 12th, that I should lay before your Lordships a State of the Gold and Silver Coins of this Kingdom in Weight and Fineness, and the Value of Gold in Proportion to Silver, with my Observations and Opinion, and what Method may be best for preventing the melting down of the Silver Coin; I humbly Represent, That a Pound Weight Troy of Gold, 11 Ounces fine, and 1 Ounce Allay, is cut into 44¹/₂ Guineas and Half, and a Pound Weight of Silver, 11 Ounces 2 Penny Weight fine, and 18 Penny Weight Allay, is cut into 62 Shillings; and according to this Rate, a Pound Weight of fine Gold is worth 15 Pounds Weight 6 Ounces, 17 Penny Weight and 5 Grains of fine Silver, reckoning a Guinea at 1 *l.* 1 *s.* 6 *d.* in Silver Money. But Silver in Bullion exportable is usually worth 2 *d.* or 3 *d.* per Ounce more than in Coin. And if at a Medium, such Bullion of Standard Allay be valu'd at 5 *s.* 4 *d.* Half penny per Ounce, a Pound Weight of fine Gold will be worth but 14 Pound Weight 11 Ounces, 12 Penny weight 9 Grains of fine Silver in Bullion. And at this Rate, a Guinea is worth but so much Silver as would make 20 *s.* 8 *d.* When Ships are lading for the *East-Indies*, the Demand



mand of Silver for Exportation raises the Price to 5 s. 6 d. or 5 s. 8 d. per ounce, or above; but I consider not those extraordinary Cases.

A Spanish Pistole was coined for 32 Reas, or 4 pieces of Eight Reas, usually called *Pieces of Eight*, and is of equal Allay, and the 16 part of the weight thereof. And a Doppio Moeda of Portugal was coined for 10 Crusadoes of Silver, and is of equal Allay, and the 16th part of the weight thereof; Gold is therefore in Spain and Portugal of 16 Times more value than Silver of equal Weight and Allay, according to the Standard of those Kingdoms; at which Rate, a Guinea is worth 22 s. 1 d. But this high Price keeps their Gold at Home in good Plenty, and carries away the Spanish Silver into all Europe; so that at Home they make their Payments in Gold, and will not pay in Silver without a Premium. Upon the coming in of a Plate-Fleet, the Premium ceases, or is but small; but as their Silver goes away and becomes scarce, the Premium encreases, and is most commonly about 6 per Cent. which being abated, a Guinea becomes worth about 20 s. 9 d. in Spain and Portugal.

In France a Pound Weight of fine Gold is reckoned worth 15 Pound Weight of fine Silver; in raising or falling their Money, their King's Edicts have sometimes varied a little from this Proportion, in excess or defect; but the variations have been so little that I do not here consider them. By the Edict of May 1709, a new Pistole was coined for 4 new Lewises, and is of equal Allay, and the 15th part of the Weight thereof, except the Errors of their Mints. And

'And by the same *Edict*, *fine Gold* is valued at 15 Times its Weight of *fine Silver*, and at this Rate a *Guinea* is worth 20 s. 8 d. Half-peny. I consider not here the Confusion made in the Monies in *France*, by frequent *Edicts* to send them to the *Mint*, and give the King a Tax out of Them; I consider the Value only of *Gold* and *Silver* in proportion to one another.

The *Ducates* of *Holland*, and *Hungary*, and the *Empire*, were lately currant in *Holland* among the common People in their Markets and ordinary Affairs, at 5 *Guilders* in Specie, and 5 *Stivers*, and commonly changed for so much Silver Monies in three *Guilder Pieces*, and *Guilder Pieces* as *Guineas* are with us for 21 s. 6 d. Sterling; at which Rate a *Guinea* is worth 20 s. 7 d. Half-peny.

According to the Rates of *Gold* to *Silver* in *Italy*, *Germany*, *Poland*, *Denmark*, and *Sweden*, a *Guinea* is worth about 20 s. and 7 d. 6 d. 5 d. or 4 d. for the proportion varies a little within the several Governments in those Countries. In *Sweden*, *Gold* is lowest in proportion to *Silver*, and this hath made that Kingdom, which formerly was content with Copper Money, abound of late with Silver, sent thither (I suspect) for Naval Stores.

In the End of King *William's* Reign, and the first Year of the late Queen, when Foreign Coins abounded in England, I caused a great many of them to be assayed in the *Mint*, and found by the Assays, that *fine Gold* was to *fine Silver* in *Spain*, *Portugal*, *France*, *Holland*, *Italy*, *Germany*, and the Northern Kingdoms,

doms, in the proportions above mentioned, Errors of the Mints excepted.

In *China* and *Japan*, one pound Weight of *fine Gold* is worth but 9 or 10 pounds Weight of *fine Silver*, and in *East-India* it may be worth 12. And this low price of *Gold* in proportion to *Silver*, carries away the *Silver* from all *Europe*.

So then, by the Course of *Trade* and *Exchange*, between *Nation* and *Nation* in all *Europe*, *fine Gold* is to *fine Silver* as 14, or 15 to one; and a *Guinea* at the same Rate is worth between 20 s. 5 d. and 20 s. 8 d. *Half penny*, except in extraordinary Cases, as when a *Plate-Fleet* is just arriv'd in *Spain*, or *Ships* are lading here for the *East-Indies*, which Cases I do not here consider. And it appears by *Experience* as well as by *Reason*, that *Silver* flows from those Places where its *Value* is lowest in proportion to *Gold*, as from *Spain* to all *Europe*, and from all *Europe* to the *East-Indies*, *China*, and *Japan*; and that *Gold* is most plentiful in those Places, in which its *Value* is highest in proportion to *Silver*, as in *Spain* and *England*.

It is the Demand for Exportation which hath raised the price of exportable *Silver* about 2 d. or 3 d. in the Ounce above that of *Silver* in Coin, and hath thereby created a *Temptation* to export or melt down the *Silver Coin*, rather than give 2 d. or 3 d. more for *Foreign Silver*; and the Demand for Exportation arises from the higher price of *Silver* in other places than in *England*, in proportion to *Gold*, that is, from
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the higher price of *Gold* in *England* than in other Places, in proportion to *Silver*, and therefore may be diminish'd by lowering the Value of *Gold* in proportion to *Silver*. If *Gold* in *England*, or *Silver* in *East India*, could be brought down so low as to bear the same proportion to one another in both Places, there wou'd be hear no greater Demand for *Silver* than for *Gold* to be exported to *India* : And if *Gold* were lowered only so as to have the same proportion to the *Silver* Money in *England*, which it hath to *Silver* in the rest of *Europe*, there would be no *Temptation* to export *Silver* rather than *Gold* to any other part of *Europe*. And to compass this last, there seems nothing more requisite, than to take off about 10 d. or 12 d. from the *Guinea*, so that *Gold* may bear the same proportion to the *Silver*-money in *England*, which it ought to do by the *Course of Trade and Exchange* in *Europe* ; but if only 6 d. were taken off at present, it would diminish the *Temptation* to export or melt down the *Silver*-Coin, and by the *Effects*, would shew hereafter better than can appear at present, what further *Reduction* would be most convenient for the *Publick*.

In the last Year of King *William*, the *Dollars* of *Scotland*, worth about 4 s. 6 d. *Half-peny* were put away in the *North* of *England* for 5 s. and at this *Price* began to flow in upon us ; I gave notice thereof to the *Lords-Commissioners of the Treasury*, and they Ordered the *Collectors of Taxes* to forbear taking them, and thereby put a stop to the *Mischief*.

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At the same time the *Lewidors* of France, which were worth but 17 s. and *Three farthings a Piece*, pass'd in England for 17 s. 6 d. I gave notice thereof to the *Lords-Commissioners of the Treasury*, and his late Majesty put out a *Proclamation*, that They should go but at 17 s. and thereupon they came to the Mint, and 1400000 l. were Coined out of them; and if the Advantage of 5 d. 1 *Farthing a Lewidor* sufficed at that time to bring into England so great a quantity of *French Money*, and the Advantage of 3 *Farthings* in a *Lewidor* to bring it to the Mint, the Advantage of 9 d. *Half-peny* in a *Guinea*, or above, may have been sufficient to bring the great Quantity of Gold which hath been Coined in these last 15 Years without any Foreign Silver.

Some Years ago the *Portugal Moeders* were received in the *West* of England at 28 s. a piece; upon Notice from the Mint, that they were worth only about 27 s. 7 d. the *Lords-Commissioners of the Treasury* ordered their *Receivers of Taxes* to take them at no more than 27 s. 6 d. Afterwards many Gentlemen in the *West* sent up to the Treasury a Petition, that the *Receivers* might take them again at 28 s. and promised to get Returns for this Money at that Rate, alledging, that when they went at 28 s. their Country was full of Gold, which they wanted very much. But the *Commissioners of the Treasury* considering that at 28 s. the Nation would lose 5 d. a piece, rejected the Petition. And, if an Advantage to the Merchant of 5 d. in 28 s. did pour that Money in upon us, much more hath an Advantage to the Merchant
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of 9 d. Half-peny in a *Guinea*, or above, been able to bring into the Mint great Quantities of *Gold* without any *Foreign Silver*, and may be able to do still, 'till the Cause be removed.

If things be let alone 'till *Silver Money* be a little scarcer, the *Gold* will fall of it self; for People are already backward to give *Silver* for *Gold*, and will in a little time, refuse to make Payments in *Silver* without a Premium, as they do in *Spain*; and this Premium will be an Abatement in the value of the *Gold*: And so the Question is, Whether *Gold* shall be lowered by the Government, or let alone 'till it falls of it self, by the want of *Silver Money*?

It may be said, That there are great Quantities of *Silver* in Plate, and if the Plate were Coined, there would be no want of *Silver Money*: But I reckon that *Silver* is safer from Exportation in the Form of Plate than in the Form of Money, because of the greater Value of the *Silver* and Fashion together; and therefore I am not for Coining the Plate till the Temptation to export the *Silver Money* (which is a Profit of 2 d. or 3 d. an Ounce) be diminished: For as often as Men are necessitated to send away Money for answering Debts Abroad, there will be a Temptation to send away *Silver* rather than *Gold*, because of the Profit, which is almost 4 per Cent. And for the same Reason Foreigners will choose to send hither their *Gold* rather than their *Silver*.

*All which is most humbly submitted to Your
Lordships great Wisdom.*

Isaac Newton.

